

SCHEDULE 3

Regulation 10

ADAPTATIONS AND MODIFICATIONS OF ENACTMENTS

THE INDUSTRIAL ASSURANCE AND FRIENDLY SOCIETIES ACT 1929

1. In the Schedule to the Industrial Assurance and Friendly Societies Act 1929 the words “premiums actually paid”, in their application to a policy in respect of which under the prescribed scheme or an approved scheme payment of any premium due has been discharged by payment of 82 ½ per cent of that premium, shall include premiums in respect of which such payment has been made.

2. In its application to a policy of which the sum assured or guaranteed has been increased under regulations 5 or 6, paragraph 1 of the said Schedule shall have effect subject to the following modifications—

- (a) For the purpose of calculating the amount assured by the free paid up policy the sum assured by the surrendered policy shall be divided into the original sum assured and the increase in the sum assured, any addition to the sum assured by the surrendered policy by way of bonus on or after 6th April 1979 to be allocated proportionately between and to be treated as comprised in the original sum assured and the increase in the sum assured respectively.
- (b) The amount assured by the free policy shall consist of the aggregate of proportions of the original sum assured and of the increase in the sum assured calculated as follows—
 - (i) The proportion of the original sum assured shall be the same proportion as the amount of the original premiums actually paid bears to the amount of the original premiums which would have been payable under the surrendered policy had the full number of original premiums become payable thereunder;
 - (ii) The proportion of the increase in the sum assured shall be the same proportion as the amount of the increase in premiums actually paid bears to the amount of the increase in premiums which would have been payable under the surrendered policy had the full number of increases in premium become payable thereunder.

3. For the purposes of subparagraph (b)(i) of the preceding paragraph and this paragraph—

“the original premiums” means the premiums of the amount payable under the policy before the increase in premium was effected under regulations 4(1) or 6(2), including, in respect of premiums paid, or which would have been payable, after 6th April 1979, payments of that amount included in premiums paid, or which would have been payable, after that date;

“the original sum assured” means the sum (including any addition by way of bonus) assured or guaranteed under the surrendered policy on 6th April 1979 before the increase under regulations 5 or 6 takes effect, together with any addition made thereto in respect of the due proportion of any bonus added on or after 6th April 1979;

“the amount of the increase in the sum assured” means the sum assured by the surrendered policy in so far as it exceeds the original sum assured as at 6th April 1979, together with any addition made thereto in respect of the due proportion of any bonus added on or after 6th April 1979.

THE INDUSTRIAL ASSURANCE AND FRIENDLY SOCIETIES ACT 1948

4. For the purpose of subsection (2) of section 2 of the Industrial Assurance and Friendly Societies Act 1948 (power to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's

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parents or grandparents as represents any increase in any sum assured or guaranteed effected under regulations 5 or 6.

THE RESERVE AND AUXILIARY FORCES (PROTECTION OF CIVIL INTERESTS) ACT 1951

5. Subsection (3) of section 56 of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951, as it applies to a friendly society contract of which the sum assured or guaranteed has been increased under regulations 5 or 6 and which is a contract for the whole term of life, shall have effect as if it provided that the terms of the contract shall be varied in accordance with the following provisions—

- (a) The relevant arrears shall be extinguished by a reduction of the sum assured or guaranteed under the contract, the amount of the reduction to be such an amount as shall be determined by an actuary.
- (b) The friendly society shall at the time for writing off give written notice to the member insured under the contract of the amount of the reduction so determined.
- (c) The member may, within six months of receiving such notice, appeal to the Chief Registrar of Friendly Societies on the ground that such reduction is not fair in relation to the amount of the extinguished relevant arrears.
- (d) If on such appeal, and after giving the member and the society an opportunity of being heard, the Chief Registrar of Friendly Societies is satisfied that the reduction is not fair, he may direct the society to make such increase as he may consider appropriate in the sum assured or guaranteed to which the appeal relates.

FRIENDLY SOCIETIES ACT 1974

6. In applying the limits imposed by section 64 of the Friendly Societies Act 1974 (limits on amounts which a member, or person claiming through a member, of a registered friendly society is entitled to receive from one or more such societies) there shall be disregarded any increase in any sum assured or guaranteed which is effected under regulations 5 or 6.

7. For the purpose of section 72 of the Friendly Societies Act 1974 (power of registered friendly society to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's parents or grandparents as represents any increase in any sum assured or guaranteed which is effected under regulations 5 or 6.